

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

January 24, 2003

IN RE:

PETITION OF TIME WARNER TELECOM OF THE
MID-SOUTH, L.P. FOR APPROVAL OF TRANSFER OF
CERTIFICATE OF PUBLIC CONVENIENCE AND
NECESSITY

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) DOCKET NO.
) 02-01296
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ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Director Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on December 16, 2002 for consideration of the *Petition for Approval of Transfer of Certificate of Public Convenience and Neccesity* (the "*Petition*") filed by Time Warner Telecom of the Mid-South, L.P. ("TWTC") pursuant to the provisions of Tenn. Code Ann. § 65-4-113, for approval of a transfer of the authority to provide utility services currently held by TWTC.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

- (a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Petition

According to the *Petition*, which was filed on December 12, 2002, TWTC is a Delaware corporation whose principal place of business for its Tennessee operations is located in Memphis, Tennessee. TWTC has been granted authority to provide telecommunications services in Tennessee. TWTC requests that the Authority approve, pursuant to Tenn. Code Ann. § 65-4-113, the transfer of its certificate of public convenience and necessity ("CCN") to Time Warner Telecommunications of the Mid-South, LLC ("TWTC-LLC"). This transfer of TWTC's CCN is part of a conversion of TWTC to TWTC-LLC, following which TWTC-LLC will succeed to all the operations, assets, and liabilities of TWTC as a matter of Delaware law.

Public Interest Considerations

According to the *Petition*, the proposed conversion of TWTC to TWTC-LLC will not disrupt service or adversely affect the customers of TWTC and is proposed solely for the purpose of receiving more favorable tax treatment. The *Petition* states that there will be no change in the technical, financial, or managerial resources currently in place to serve customers in Tennessee.

Findings

The voting panel considered this matter at the December 16, 2002 Authority Conference. Based upon careful consideration of the *Petition*, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this *Petition* pursuant to Tenn. Code Ann. § 65-4-113;

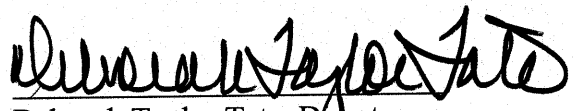
2. Time Warner Telecom of the Mid-South, L.P. has been granted authority to provide telecommunications services in Tennessee;

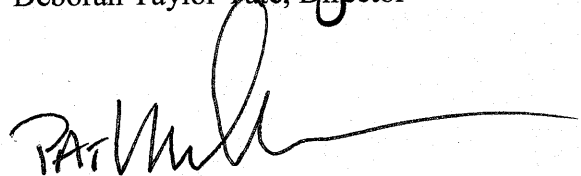
3. The authority granted Time Warner Telecom of the Mid-South, L.P. will be transferred to Time Warner Telecom of the Mid-South, LLC; and

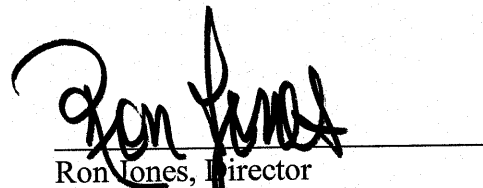
4. The transfer of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:

The *Petition* of Time Warner Telecom of the Mid-South, L.P. for approval of the transfer of authority described herein is approved.


Deborah Taylor Tate, Director


Pat Miller, Director


Ron Jones, Director